

1 In pricing those pieces -- and I
2 don't know if you can answer the question but I'll
3 throw it out there anyway -- did Ameritech include
4 the costs associated with the routing
5 functionalities in the switch?

6 A. We did not include the cost of routing
7 as our services are routed as part of the
8 unbundled local switching charge, minute of use
9 charge, it is not included in the port charge
10 either on the line side or the trunk side.

11 Q. So it's not being picked up in either
12 the usage sensitive part or the non-usage
13 sensitive part?

14 A. That is correct.

15 Now, there is a routing function
16 that the ULS purchaser can obtain from Ameritech
17 as part of this offering so that they can do their
18 routing function, but that is a separate element
19 contained in the tariff.

20 Q. As Ameritech envisions it, is the
21 routing with the competitor -- with the CLECs an
22 actual partitioning or portioning of the switch?

1 A. I wouldn't characterize it in that
2 way.

3 Q. Please characterize it for me.

4 A. What we are providing is a -- the
5 ability of the competitor to buy unbundled local
6 switching and transport and unbundled loops
7 discretely, individually or in combination with
8 one another for them to provide services, but I
9 don't -- when I look at the partitioning of the
10 switch, I would say that 10 percent -- that 10
11 percent of the switch belongs to MFS. That's my
12 idea of what you -- what I -- how I would
13 interpret partitioning of the switch.

14 And this does not -- this method of
15 purchasing unbundled elements doesn't say 10
16 percent of that switch belongs to AT&T.

17 Q. I think I'm about halfway home but let
18 me throw out a couple more scenarios.

19 Under Ameritech's, based on your
20 testimony, if a competitive LEC does not purchase
21 your unbundled local switch platform on a
22 wholesale basis, they don't do it, then that means

1 they don't have the ability to switch one of their
2 calls to an Ameritech trunk port neither will
3 Ameritech be able to switch one of their calls to
4 a CLEC trunk port. Is that correct?

5 A. Not without interconnection.

6 Q. So it seems pretty clear, I guess,
7 based on what I just asked, the CLECs have two
8 alternatives: Buy wholesale from Ameritech under
9 the existing tariff or provide Ameritech with
10 routing tables of their own?

11 A. Or doing their own routing tables in
12 their own switch and interconnecting with
13 Ameritech.

14 Q. All right. Can you explain to me,
15 Mr. Gebhardt, and I'm referring now to Page 11 of
16 your supplemental rebuttal -- before I ask this
17 question, just let me bounce back one more time.

18 You participated in the
19 Commission's wholesale resale docket, correct?

20 A. Yes, sir.

21 Q. Did the Commission ever address the
22 issue of the routing table matter that we're

1 discussing here today?

2 A. Not to my recollection.

3 Q. And you will admit, would you not,
4 that this is the first time that this issue has
5 actually been crystal clear as to the positions of
6 the various parties?

7 A. Right.

8 I think that this issue has been
9 evolving and I think the evolution started with
10 the wholesale resale order and proceeding of the
11 Commission and has evolved into this docket and
12 it's going to come up in the TELRIC proceeding as
13 well.

14 So I think the positions are
15 becoming more crystallized because time has gone
16 by and people have been able to -- parties have
17 been able to express their positions I think in, I
18 would like to say, a better way so that it is
19 clear.

20 Q. Okay. On Page 11, would you explain
21 why discrete point to point facilities make -- let
22 me digress.

1 This is going to come out awkward
2 but for lack of better words to use, I'll throw it
3 out there anyway.

4 Why -- can you explain why discrete
5 point to point facilities make common transport --
6 don't make common transport a network element?

7 A. Common transport as it's provided in
8 our access tariff?

9 Q. Right.

10 A. That is a service that allows
11 basically routing throughout the network so it is
12 not in particular point to point. It could go to
13 any number of points.

14 Q. How are you using the discrete in that
15 sentence, Mr. Gebhardt?

16 A. Well, what I'm saying is that the
17 total engineering of the network is predicated on
18 all the traffic flowing out of and into a given
19 end office switch.

20 And common transport is an
21 element -- not an element, it is a service that
22 allows messages, calls, to be moved out of that

1 switch to other switches or other locations based
2 on Ameritech's routing instructions.

3 I look at point to point as more
4 saying, I'm going to have a point to point
5 facility to go from central office or end office A
6 to end office B or to tandem C or to IXC Pop D,
7 and while all these features and functionalities
8 are resident in that thing that we call -- that
9 service we call common transport, I don't look at
10 it as discretely being point to point to point.

11 Q. On Page 23 of your supplemental
12 rebuttal testimony, and I certainly don't want to
13 step on counsel for MCI's toes but I'm going to
14 ask the question anyway.

15 You rebut MCI Witness Dr. Ankum's
16 claim regarding Ameritech ULS offering resulting
17 in a double recovery of trunk port costs.

18 Do you see that?

19 A. Yes, sir.

20 Q. Do Ameritech's switched access charges
21 recover line port costs?

22 A. I think the answer to that, and I am

1 stretching my memory here, but I think the answer
2 to that is yes, when it comes to interstate
3 traffic, and no, when it comes to intrastate
4 traffic.

5 But could I have -- could I do a
6 subject to check on that just to make sure my
7 recollection is correct?

8 Q. Certainly. Certainly. Certainly. Do
9 you --

10 MS. SUNDERLAND: And you did say line port?

11 MR. REED: Yes. Yes. Yes.

12 Q. The follow-up to that question is will
13 a call come into a customer of a ULS purchaser be
14 routed over the line port being paid for by the
15 ULS purchaser?

16 A. May I have the question back, please.

17 (Whereupon, the record was
18 read as requested.)

19 THE WITNESS: If the ULS purchaser has
20 instructed its traffic to be routed in that
21 fashion, yes.

22 MR. REED: Q. And in your opinion, based on

1 the scenario I have just given you, would this or
2 would this not be a double recovery of costs?

3 A. I think if my premises and
4 recollection are correct, there could be some
5 double recovery on interstate traffic.

6 MR. REED: Could I have a minute,
7 Mr. Examiner, just about done.

8 Off the record.

9 (Whereupon, a discussion was
10 had off the record.)

11 MR. REED: Q. Mr. Gebhardt, I want to
12 revisit, and I hate to keep on digressing like
13 this, I thought of a couple more questions with
14 respect to the ULS issue.

15 How would the parties get the
16 routing tables to Ameritech? Has a procedure been
17 set up whereby Ameritech will receive this
18 information? How will it be updated? Will there
19 be electronic interfaces between the CLEC and
20 Ameritech with respect to them providing routing
21 tables to the company?

22 Has that process or procedure, the

1 procedures been implemented or discussed or
2 designed?

3 A. I believe they have, but I think
4 Mr. Kocher will probably be a better person to
5 address on the technical issues associated with
6 the real technical stuff on unbundled local
7 switching.

8 Q. I thought I had reviewed the majority
9 of the testimony that was -- that I received
10 yesterday about 9:00 o'clock and I don't remember
11 seeing that issue being addressed in testimony in
12 this proceeding.

13 A. I believe he talks about it in his --
14 the testimony before this one.

15 Q. Okay.

16 A. The most recent. I mean before last
17 Friday's, the one before last Friday.

18 Q. Okay.

19 A. But I admit there has been an awful
20 lot of testimony in this case.

21 Q. Yes, there has been. So if it's there
22 I'll take your word for it.

1 But I just want to make sure the
2 Commission has something to look at with respect
3 to procedures in order to implement Ameritech's
4 proposal that these folks should be required to
5 provide their own routing tables.

6 You'll end up deferring this to
7 Mr. Kocher, but I'll ask it anyway, regarding IXC
8 routing on to dedicated or shared transport which
9 is the subject of the answer on Page 13 of Mr.
10 Gasparin's supplemental direct testimony.

11 I'm going to be asking questions
12 regarding the question on that page and the answer
13 on Page 13 ending on Page 14.

14 There Mr. Gasparin discusses
15 possible routing problems that could arise if an
16 IXC were to attempt to route a call over either
17 dedicated unbundled local transport or shared
18 company transport to an ULS purchaser's customer.

19 The initial question is do you
20 agree with Mr. Gasparin's assessment as he has set
21 forth in the answer on Pages 13 and 14.

22 A. I don't know whether his solution is

1 the only solution but clearly a database of some
2 kind would be required as he has suggested here.

3 Another way that you might be able
4 to do it is compare the traffic and just by
5 association or knowing which ones were unbundled
6 local switching ports, you could do a segregation
7 of the traffic using that rather than a look-up --
8 what I was anticipating he's looking at here is a
9 look-up type database as opposed to one that you
10 might be able to just compare the traffic, filter
11 off the traffic that's routed to a given telephone
12 number.

13 So I don't know that this is the
14 only solution, and I'm really not a real techy
15 person.

16 To my knowledge, I don't know that
17 this issue has been dealt with square on, but
18 Mr. Kocher might well know the answer to that
19 question.

20 Q. Okay. Let me throw out this follow-up
21 and see, we might have to go to Mr. Kocher again.

22 Are you aware of the changes that

1 an IXC would have to make to its operations in
2 order to route traffic over dedicated unbundled
3 local transport or shared company transport to an
4 ULS purchaser's customer?

5 A. Well, IXCs today are -- have the same
6 ability to where they have dedicated trunks to
7 customers, have the ability to selectively route
8 incoming traffic to those customers over that
9 dedicated facility.

10 So as to what physically is
11 required by the IXC, I don't know.

12 Q. And once again, realizing you're not a
13 technical expert, I'll step out on the branch
14 anyway. Hopefully it won't fall.

15 Do you know whether or not the
16 changes that would be required are even
17 technically feasible?

18 A. I believe they are probably
19 technically feasible.

20 Q. If you were to take a best guess and,
21 once again, realizing I'm on dangerous ground
22 here, how long do you think it would take to

1 implement the changes that would be necessary?

2 A. I wouldn't feel comfortable about
3 answering that without knowing every single piece
4 of what has to be done here. And again, I'm not
5 technically positioned to be able to picture
6 exactly everything that would need to be done.

7 MR. REED: Okay. Miss Sunderland, would you
8 have a problem with us deferring these questions
9 to Mr. Kocher?

10 MS. SUNDERLAND: No.

11 MR. REED: Would he be in a better
12 position?

13 MS. SUNDERLAND: Mr. Kocher is nodding
14 affirmatively.

15 MR. REED: Great. Thank you, Mr. Gebhardt.
16 It look a little longer than ten minutes but I
17 appreciate your candor. I am sure the Commission
18 will also. Thank you.

19 JUDGE GUERRA: Any further cross? Any
20 redirect?

21 MS. SUNDERLAND: Can we have just a minute?

22 MS. OLIVER: This is not further cross.

1 Would it be possible for Mr. Gebhardt to add Nynex
2 to the list of RBOCs that he's going to check
3 about?

4 MS. SUNDERLAND: Yes.

5 MS. OLIVER: Thank you.

6 JUDGE GUERRA: Any redirect?

7 MS. SUNDERLAND: Can we just have a minute?

8 (Whereupon, a brief
9 recess was taken.)

10 MS. SUNDERLAND: We have no redirect.

11 JUDGE GUERRA: This would be a good time to
12 take a lunch break.

13 MS. SUNDERLAND: Let me just move for
14 admission.

15 I just want to move for admission
16 of Ameritech Illinois Exhibit 1.4 and 1.5 so we
17 don't forget. I don't know if I did that yet.

18 JUDGE GUERRA: Any objection to the
19 admission of those exhibits?

20 Let the record reflect that
21 Ameritech Exhibit 1.4 and 1.5 are admitted.

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(Whereupon, Ameritech Illinois
Exhibits 1.4 and 1.5 were
admitted into evidence.)

JUDGE GUERRA: Why don't we come back at
1:15.

(Whereupon, further proceedings in
the above-entitled matter were
continued to May 6, 1997, at
1:15 p.m.)

1 (Whereupon, Ameritech
2 Exhibit Nos. 10.0 and 10.1
3 were marked for
4 identification.)

5 JUDGE GUERRA: Are you ready to proceed?

6 MR. JANUS: We are prepared to present
7 Mr. Kocher.

8 (Witness sworn.)

9 MR. DAN KOCHER,
10 called as a witness herein, having been first duly
11 sworn, was examined and testified as follows:

12 DIRECT EXAMINATION

13 BY

14 MR. JANUS:

15 Q Mr. Kocher, do you have what has been
16 marked in front of you as Ameritech Illinois
17 Exhibit 10.0 and Ameritech Illinois Exhibit 10.1?

18 A Yes, I do.

19 Q Were Ameritech Illinois Exhibits 10.0
20 and 10.1 prepared by you and those working under
21 your direction and control?

22 A Yes, it was.

1720

1 Q If I were to ask you the questions that
2 are contained in these two exhibits today, would
3 your answers be as stated therein?

4 A Yes, they would.

5 Q I would like to point out that Ameritech
6 Illinois Exhibit 10.0 has attached to it something
7 that we have labeled as Schedule 1. I don't
8 believe that the copies that went out to the
9 parties had that label on it, but just to avoid
10 confusion the court reporter copies have it and I
11 would ask that other parties just manually put it
12 on their copies.

13 I would move at this point for
14 admission of Ameritech Illinois Exhibits 10.0 and
15 10.1 and tender Mr. Kocher for cross-examination.

16 JUDGE GUERRA: Any objection?

17 Let the record reflect that
18 Ameritech Exhibits 10.0 and 10.1 are admitted.

19 (Whereupon, Ameritech
20 Exhibit Nos. 10.0 and 10.1
21 were admitted into evidence.)

22 Cross.

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CROSS-EXAMINATION

BY

MS. OLIVER:

Q Mr. Kocher, I am Linda Oliver
representing the Competitive Telecommunications
Association. Good afternoon.

A Good afternoon.

Q I have just got a couple of quick
questions for you.

First, I direct your attention to
Page 16 of your supplemental direct testimony. I
am just going to read a little bit from that.
That's from the first question that appears on
that page. I am going to read from the answer.

You observed that the switching
function -- and now I am quoting -- the switching
function is part and parcel of the retail exchange
service that Ameritech offers to its local
customers.

That being said, Ameritech's
unbundled switching products will use the same
switching matrices, line cards, et cetera, that

1 Ameritech uses itself to provide retail local
2 exchange services.

3 My question is, are those switching
4 matrices, line cards, et cetera, available to a
5 purchaser of the unbundled local switching
6 element?

7 A The switching matrix is an internal
8 portion of the machine that's used by all of the
9 ports that access or egress that machine.

10 Individual line cards are assigned
11 to particular telephone numbers or to individual
12 trunk groups. Once they are assigned, they are
13 used for those particular trunk groups or lines
14 that are provided.

15 Q So the answer is yes, that they are part
16 of the unbundled local switching element?

17 A When those line cards are associated
18 with an unbundled port, yes, they are associated
19 with that element.

20 Q How do those switching matrices and line
21 cards -- how are they priced by Ameritech? Would
22 that be a wholesale rate or would that be a cost

1 based rate?

2 A I am not sure. I didn't price the
3 products. The line card is priced, as I
4 understand, to TELRIC pricing. The line port and
5 the trunk ports are both TELRIC and the switching
6 matrix is TELRIC priced as well.

7 Q Does Ameritech use the vertical features
8 of the switch to provide retail exchange service?

9 A Yes, it does.

10 Q How do you price the vertical features
11 when they are employed by the purchaser of the
12 unbundled local switching element? Are they
13 priced as wholesale or are they priced on the basis
14 of TELRIC?

15 MR. JANUS: I guess I would like to register
16 an objection at this point because the TELRIC
17 pricing, unless I misunderstood your question, is
18 going to be the subject of a proceeding, is the
19 subject of a proceeding. In fact, we have
20 hearings that we're all looking forward to next
21 week dealing with that issue.

22 I don't think Mr. Kocher's

1 testimony really addresses the issue of pricing.

2 MS. OLIVER: My questions do not go to the
3 question of pricing. They go to whether this is
4 part of the unbundled switching element that a
5 purchaser gets as an unbundled network element.

6 I guess I would say that
7 Mr. Kocher's testimony does go to the pricing to
8 the extent that Ameritech's position as he
9 describes it is that you get wholesale -- and as
10 others describe it -- when you get the usage of
11 the network through the routing instructions
12 imbedded in the switch, then the price is
13 wholesale. The wholesale of local exchange
14 service rate and not the cost based rate. That's
15 what I am getting at, not the exact price.

16 MR. JANUS: I'll withdraw my objection. I
17 think I understand it better now. Thank you.

18 MS. OLIVER: I believe the question -- should
19 I repeat it.

20 THE WITNESS: Would you please restate it?

21 MS. OLIVER: Q When an unbundled local
22 switching element purchaser obtains that element

1 and uses the vertical features, are those vertical
2 features priced by Ameritech at wholesale local
3 exchange service rates or wholesale vertical
4 feature rates or are they cost based rates?

5 A As I understand it -- and, again, I am
6 not the pricing expert, there is no additional
7 charge for vertical features. You get that
8 capability with a line port. You may activate or
9 not activate vertical features by submitting an
10 EDI service order for the particular port in
11 question.

12 Q So the vertical features are available
13 at cost and that cost may be no additional cost.
14 It may or may not be. We're not talking pricing?

15 A I don't honestly know.

16 Q But you don't charge wholesale local
17 exchange rates when an unbundled local switching
18 purchaser uses vertical features?

19 A No. The vertical features are part of
20 the unbundled local switching product.

21 Q Thank you.

22 Does Ameritech use routing

1 instructions in the switch to provide retail local
2 exchange services?

3 A Yes, it does.

4 Q Are those routing instructions available
5 to the purchasers of the unbundled local switching
6 element?

7 A Yes, they are.

8 Q And what is the rate when those routing
9 instructions are employed by the purchaser of an
10 unbundled local switching element? Are those
11 wholesale rates or are they cost based rates?

12 A It depends.

13 Q Well, I guess my question is, when you
14 purchase unbundled local switching --

15 A When you purchase unbundled local
16 switching --

17 Q And you ask to use the routing
18 instructions in the switch --

19 A It depends where you are going. If you
20 ask, for instance, for one unbundled local
21 switching port line side port to call another
22 unbundled local switching line port, that routing

1 capability is part of the ULS usage charge.
2 That's paid for at that time by that process, as I
3 understand it. It's imbedded with the
4 capabilities of making a call. It's part of the
5 switch.

6 Q What if the ULS purchaser uses the
7 routing instructions to complete a local call to
8 another end office in the Ameritech network? What
9 is the rate for that? Is it a wholesale rate or
10 is it a cost based rate?

11 A It depends how the unbundled local
12 switching customer gets to the other switch. If
13 they use an unbundled local switching trunk port
14 or provide their own transport to the distance
15 switch and then complete that call, then the rates
16 would be all unbundled local switching rates.

17 Q I guess my question is, when a ULS
18 purchaser uses the routing instructions in the
19 switch today that Ameritech uses for its own to
20 route its own local traffic, when the ULS
21 purchaser uses those routing instructions in the
22 switch today, is the rate charge the wholesale

1 rate or the cost based rate?

2 A As the tariff has been proposed, when
3 they use the Ameritech usage service to get to
4 another office, that's provided at a wholesale
5 rate.

6 Q Thank you.

7 Mr. Kocher, would you agree that
8 there are no competing local exchange networks
9 today that would duplicate the ubiquitous
10 Ameritech local exchange network?

11 A There are no competitors that serve that
12 same amount of customers as Ameritech. That's
13 correct.

14 Q Would you agree that consumers in the
15 future -- I mean here today -- are likely to be
16 interested in buying local exchange and long
17 distance services from the same carrier?

18 A There has been market research to
19 indicate that one-stop shopping is something that
20 people are interested in.

21 Q Does Ameritech's definition of unbundled
22 local switching as described in your supplemental